

Exhibit 2

Several common questions about closeout costs and reports for terminated awards are found below on this page. If your question on one of these topics is not addressed below, please direct it to dgafinalcosts@nsf.gov.

Find contact information for questions about proposals and specific funding opportunities on the NSF executive orders page.

Frequently asked questions

NSF priorities

- [Why is NSF changing its priorities?](#)
- [Does the agency plan to focus its funding only in areas of artificial intelligence, quantum information science, biotechnology, nuclear energy, and translational science?](#)
- [Are you still funding research on misinformation/disinformation?](#)
- [Is there a list of words I should be avoiding?](#)
- [Can I still propose broadening participation activities \(e.g., outreach\) in](#)

Indirect cost rate policy

- [Is NSF changing its policy regarding the indirect cost rate associated with NSF awards?](#)
- [Has NSF paused the implementation of the new 15% indirect cost \(IDC\) rate policy?](#)
- [Now that NSF has paused the implementation of the new 15% indirect cost rate policy, what rate should proposers use in the proposal budget?](#)
- [How will NSF handle pending proposals already submitted with](#)

fulfillment of the Broader Impacts criterion?

- What are the protected and non-protected characteristics?
- How can I learn more about the protected civil rights characteristics referenced in NSF's updated priorities?
- Will NSF consider proposals directed to a legally mandated NSF program/funding opportunity?
- What about the court order that says you cannot withhold funding due to the Executive Orders (EOs)? Isn't NSF in violation of that?
- There are still gaps in the achievements of certain groups of people. Can we still research those?
- Can I research individuals or groups based on protected characteristics in other areas of S&E?
- Can I still work with Minority Serving Institutions (MSIs)?

a 15% indirect cost rate if NSF has deferred implementation of the new IDC policy?

- Is there an expectation of cost share if the standard IDC policy is implemented later?
- Will the new IDC policy apply to subawards if implemented?

Terminated awards

- **NEW:** Did NSF terminate every award that no longer effectuates priorities, or are more still being identified?
- **NEW:** Is there a publicly available list of the awards NSF has terminated?
- Why is NSF terminating awards?
- What types of awards are being terminated?
- How will we find out if our grants are terminated?
- My award was terminated on the basis that it "no longer

- [Are centers impacted? What about facilities that have DEI plans, will those be impacted?](#)
- [May I withdraw my proposal if it does not align with the updated priorities?](#)
- [Will institutions be required to submit a certification statement or a compliance report to comply with No. 35 of NSF's Grant General Conditions Recipients regarding all applicable Federal anti-discrimination laws material to the government's payment decisions for purposes of 31 U.S.C. § 3729\(b\)\(4\)?](#)
- [effectuates the program goals or agency priorities." Can I appeal or seek alternative dispute resolution?](#)
- [My award cancellation letter indicates that I am not eligible to appeal. Should I send an appeal request to NSF anyway?](#)
- [What are the requirements for project reports if my award has been terminated?](#)
- [What needs to be included on the requested itemized accounting of allowable costs per the termination letter? Is there a template for closeout costs?](#)
- [How long will it take NSF to pay final closeout costs for terminated awards once submitted in ACM\\$?](#)
- [Can costs be reimbursed prior to the award termination date?](#)

Return Without Review

- [Why was my proposal Returned Without Review, referencing changes to NSF priorities?](#)
- [My proposal was Returned Without Review. Why do I see written reviews and a panel summary in Research.gov?](#)
- [What will happen to my proposal if it is not](#)

[Returned Without Review?](#)

NSF priorities

Why is NSF changing its priorities?

NSF is continuing to prioritize cutting-edge discovery science and engineering (S&E) research, advancing technology and innovation, and creating opportunities for all Americans in every region of the Nation. NSF has always established priorities within the policy context set forth by Congress, the Administration and the Director of NSF, and it continues to do so.

Does the agency plan to focus its funding only in areas of artificial intelligence, quantum information science, biotechnology, nuclear energy, and translational science?

While NSF will continue to focus on Administration priorities such as artificial intelligence, quantum information science, biotechnology, nuclear energy, and translational science, we remain committed to awarding grants and funding all areas of science and engineering to promote the progress of science, advance the national health, prosperity and welfare and secure the national defense.

Are you still funding research on misinformation/disinformation?

Per the [Presidential Action](#) announced January 20, 2025, NSF will not prioritize research proposals that engage in or facilitate any conduct that would unconstitutionally abridge the free speech of any American citizen. NSF will not support research with the goal of combating "misinformation," "disinformation," and "malinformation" that could be used to infringe on the constitutionally protected speech rights of American citizens across the United States in a manner that advances a preferred narrative about significant matters of public debate.

Is there a list of words I should be avoiding?

There is not a list of words. Investigators should focus on Intellectual Merit and Broader Impacts for proposals in a way that is consistent with NSF priorities.

Can I still propose broadening participation activities (e.g., outreach) in fulfillment of the Broader Impacts criterion?

Investigators should prioritize the first six broader impacts goals as [defined by the America COMPETES Reauthorization Act of 2010](#). Investigators wishing to address goal seven — expanding participation in STEM for women and underrepresented groups — must ensure that all outreach, recruitment, or participatory activities in NSF projects are open and available to all Americans. Investigators may conduct these types of engagement activities to individuals, institutions, groups, or communities based on protected characteristics only as part of broad engagement activities. Investigators may also expand participation in STEM based on non-protected characteristics, including but not limited to institutional type, geography, socioeconomic status, and career stage. However, engagement activities aimed at these characteristics cannot indirectly preference or exclude individuals or groups based on protected characteristics.

What are the protected and non-protected characteristics?

Protected characteristics are those contained in relevant laws, such as but not limited to, the Equal Protection Clause of the Constitution and Title VII of the Civil Rights Act of 1964.

How can I learn more about the protected civil rights characteristics referenced in NSF's updated priorities?

We encourage you to contact your institution's Sponsored Research Office or legal counsel for further information.

Will NSF consider proposals directed to a legally mandated NSF program/funding opportunity?

NSF will continue to operate programs that contain elements of broadening participation for individuals based on protected characteristics that are explicitly established in law and prioritized in NSF appropriations language. The research and broader impacts activities proposed in response to these programs should align with the relevant statutory language and aim to generate knowledge broadly impactful to Americans from all backgrounds and regions in the country.

Projects submitted to legally mandated broadening participation programs must not directly or indirectly preference or exclude any Americans on the basis of protected characteristics. Projects that have limited impact or rely on DEI frameworks or advocacy do not effectuate NSF priorities.

What about the court order that says you cannot withhold funding due to the Executive Orders (EOs)? Isn't NSF in violation of that?

No. NSF has continued to fund new awards and support existing awards that are in alignment with NSF priorities.

There are still gaps in the achievements of certain groups of people. Can we still research those?

NSF will continue to fund projects that rate highly using our Intellectual Merit and Broader Impacts review criteria in high priority S&E areas. Projects that aim to create more opportunities for more people in every region of the country to participate in science and technology remain an important part of NSF's mission.

NSF will continue to operate legally mandated programs that aim to expand participation in STEM for individuals of protected characteristics so long as the projects submitted to these programs do not preference or limit participation based on these protected characteristics.

Can I research individuals or groups based on protected characteristics in other areas of S&E?

Yes. Researchers may recruit or study individuals based on protected characteristics when doing so is (1) intrinsic to the research question (e.g., research on human physiology), (2) not focused on broadening participation in STEM on the basis of protected characteristics, and (3) aimed to fill an important gap in S&E knowledge. For example, research on technology to assist individuals with disabilities may be supported even when the research subject recruitment is limited to those with disabilities.

Can I still work with Minority Serving Institutions (MSIs)?

Yes. Collaboration and partnerships between and among various types of institutions of higher education (IHEs) as well as cross-sector partnerships

involving government, academia, and the private sector remain a top priority.

Are centers impacted? What about facilities that have DEI plans, will those be impacted?

The NSF guidance on broadening participation applies to all current and future NSF awards.

May I withdraw my proposal if it does not align with the updated priorities?

Proposals may be withdrawn at any time before a funding recommendation is made by the cognizant NSF Program Officer, as described in the [PAPPG](#).

Will institutions be required to submit a certification statement or a compliance report to comply with No. 35 of NSF's Grant General Conditions Recipients regarding all applicable Federal anti-discrimination laws material to the government's payment decisions for purposes of 31 U.S.C. § 3729(b)(4)?

Organizations are not required to submit a certification statement or a compliance report. By accepting the grant award, the recipient certifies that it will comply with its terms and conditions. Consult your institutional legal counsel about organizational approaches to monitoring and compliance within your institution.

Return Without Review

Why was my proposal Returned Without Review, referencing changes to NSF priorities?

Proposals that do not align with the agency's priorities are being returned to the proposer using NSF's existing [Return Without Review](#) mechanism.

My proposal was Returned Without Review. Why do I see written reviews and a panel summary in Research.gov?

The agency uses the Return Without Review mechanism at various stages of NSF's review process, up to a final official agency funding determination. Some proposals that are being Returned Without Review may have received written

review(s) or a panel summary, but NSF had not reached a final funding determination. As such, NSF did not complete its review process. Any reviews received by NSF are being returned to the PI as per NSF's policy.

What will happen to my proposal if it is not Returned Without Review?

If your proposal is not returned without review, it will continue to be evaluated using NSF's standard process.

Indirect cost rate policy

Is NSF changing its policy regarding the indirect cost rate associated with NSF awards?

NSF is temporarily pausing implementation of the NSF Policy Notice: Implementation of Standard 15% Indirect Cost Rate, NSF 25-034, through June 13, when a hearing is scheduled to occur in the United States District Court for the District of Massachusetts. New NSF awards issued during this pause will not implement NSF 25-034, but will include a term applying NSF 25-034 for the entirety of the award upon a court decision permitting application of the policy. For more details, see the new [NSF indirect cost policy](#).

Has NSF paused the implementation of the new 15% indirect cost rate policy?

Yes, NSF has entered into a consent agreement with the court to pause the implementation of [NSF-25-034 Policy Notice: Implementation of Standard 15% Indirect Cost Rate](#) pending resolution after a June 13, 2025 hearing. Effective May 19, 2025, NSF will revert to issuing awards according to the institution's negotiated rates while implementation is on hold.

Now that NSF has paused the implementation of the new 15% indirect cost rate policy, what rate should proposers use in the proposal budget?

Proposers may elect their federally negotiated indirect cost rate or may elect to use the de minimis rate if the IHE does not have a federally negotiated indirect cost (IDC) rate as provided in Chapter II.D of the PAPPG. Please note that if NSF is granted permission by the court to implement the policy, all awards with budgets calculated using the federally negotiated indirect cost

rate exceeding the 15% IDC rate cap will require rebudgeting and may be reduced if rebudgeted direct costs do not align with the cost principles provided in the PAPPG.

How will NSF handle pending proposals already submitted with a 15% indirect cost rate if NSF has deferred implementation of the new IDC policy?

NSF will issue the award using the 15% rate provided in the proposal. The proposer may submit a revised budget that includes their negotiated indirect cost rate if the submission deadline has not passed.

Is there an expectation of cost share if the standard IDC policy is implemented later?

No, the policy will not require cost sharing if implemented. The conditions under which cost sharing is required for IHEs remains unchanged, per Chapter II.D.2(f)(xii) of the PAPPG.

Will the new IDC policy apply to subawards if implemented?

Yes, this policy will apply to all IHE recipients and subrecipient agreements with IHEs if implemented.

Terminated awards

Why is NSF terminating awards?

All federal agencies that support research and development (R&D), including NSF, must ensure that taxpayer dollars are spent in the most efficient way possible consistent with each agency's mission. This requires that NSF regularly evaluate its research priorities within the policy framework established by Congress, the Administration and the Director of NSF. Awards and funding opportunities that do not align with these priorities cannot be funded.

What types of awards are being terminated?

Awards that are not aligned with program goals or agency priorities have been terminated, including but not limited to those on diversity, equity, and

inclusion (DEI), environmental justice, and misinformation/disinformation.

How will we find out if our grants are terminated?

Your Sponsored Research Office or equivalent will receive an email with the notice of termination. NSF will then issue an amendment (also sent by email) to change the end date of the award to reflect the termination date.

My award was terminated on the basis that it "no longer effectuates the program goals or agency priorities." Can I appeal or seek alternative dispute resolution?

Appeals for terminated awards will not be reviewed or considered.

Terminations of awards on the basis that they no longer effectuate program goals or agency priorities are the final agency decision and are not appealable to NSF. In these instances, NSF does not allege a deficiency occurred (e.g., noncompliance with award terms and conditions or research misconduct of the awardee). Because there are no allegations of deficiencies by the awardee to dispute, there are no grounds for agency appeal. Similarly, alternative dispute resolution is not available where terminations were based on effectuation of program goals or agency priorities.

My award cancellation letter indicates that I am not eligible to appeal. Should I send an appeal request to NSF anyway?

No; appeals are not being considered.

What are the requirements for project reports if my award has been terminated?

Project reports are being waived for terminated awards. This applies to annual (APR) and final annual (FPR) technical project reports as well as the Project Outcomes Report (POR). Principal investigators (PIs) may submit Interim Reports if they choose.

What needs to be included on the requested itemized accounting of allowable costs per the termination letter? Is there a template for closeout costs?

The definition of allowable costs does not change with termination. Please provide a listing of the award expense amounts, such as a cost ledger that

reconciles to the total dollar amount of your final reimbursement requested. There is no prescribed template for the Authorized Organizational Representative (AOR) submission of closeout costs. The cost ledger is generally a spreadsheet with itemized expenses (cost category, cost description, date expended) that justifies the total amount requested. For institutions using financial systems, a general ledger export is usually sufficient, provided that the transactions and amounts listed are in a detailed form and not simply a total amount for each ledger account.

Please note, the final proposed costs *should* have been incurred prior to the termination date. Grants Officers can advise awardees on the proposed costs before submission in ACM\$. In order to expedite this review, send the final requested documentation to dgafinalcosts@nsf.gov. Please have your organization's AOR submit the request and use a non-pdf electronic format, such as Microsoft Excel or CSV Delimited for the cost ledger. The traditional final financial reporting and adjustment periods will not apply for these terminated awards. **Once this final payment is processed, no further adjustments will be permitted.**

How long will it take NSF to pay final closeout costs for terminated awards once submitted in ACM\$?

Once the final itemized accounting of allowable costs has been submitted, the cost ledger will be reviewed by NSF. After approval, the award threshold will be updated in ACM\$ to permit a final payment request of allowable costs to be submitted by your Sponsored Research Office's ACM\$ permissioned users. The traditional final financial reporting and adjustment periods will not apply for these terminated awards. Once this final payment is processed, no further adjustments will be permitted.

Can costs be reimbursed prior to the award termination date?

Yes. Costs may be reimbursed to an NSF award up to and including the award termination date, provided they are allowable, allocable, and reasonable under the sections on Allowable Costs and Termination in your award terms and conditions (e.g., sections 11 and 33 in GC-1). Per the Termination section of your award's terms and conditions (GC-1 section 33(e)) you must submit the total of costs that were incurred prior to the termination but not drawn down

in ACM\$ to dgafinalcosts@nsf.gov no later than 30 calendar days after the award termination date.

Is there a publicly available list of the awards NSF has terminated?

You can [download a list \(CSV, 348.6 KB\)](#) of terminated awards.

Did NSF terminate every award that no longer effectuates priorities, or are more still being identified?

NSF continues to examine awards to ensure they align to agency priorities.

Archived information

Please clarify if the summary of progress under the award requested in the termination notice from NSF, due 30 days from the termination date, will be in lieu of the final annual project report and final project outcomes report...

Q: Please clarify if the summary of progress under the award requested in the termination notice from NSF, due 30 days from the termination date, will be in lieu of the final annual project report and final project outcomes report. Or is this a requirement in addition to the final annual project report and final project outcomes report?

A. The summary of progress is the financial accounting of cost due within 30 days of termination, including an estimate to cover the closeout costs required to submit the final/annual report within 120 days. Project Outcomes Reports are waived for terminated awards. [See also question 15.](#)